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VIA ELECTRONIC SUBMISSION

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW – Lobby Level
Washington, DC 20554

Re: *Developing a Unified Inter-carrier Compensation Regime, CC Docket No. 01-92; Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135; Connect America Fund, WC Docket No. 10-90; Updating the Inter-carrier Compensation Regime to Eliminate Access Arbitrage, WC Docket No. 18-155.*

Dear Ms. Dortch:

On December 19, 2018, Matt Nodine and the undersigned of AT&T met with Nicholas Degani and Nirali Patel of Chairman Pai's Office. During the meeting, AT&T discussed the Commission's pending Access Stimulation Notice of Proposed Rulemaking (NPRM), describing how arbitrageurs today focus their schemes on unreformed access charge elements, specifically, tandem-switching and transport charges.

AT&T encouraged swift Commission action to adopt the NPRM's "prong one" which would require the cost causer in current schemes to accept the financial obligation for the routing they have chosen in associating their high-volume services in remote areas. The NPRM's "prong one" arose from a joint industry effort to identify a method by which the Commission could quickly, under its established authority, act to curtail these schemes, based on the Commission's full record and its legal and regulatory precedent. One of AT&T's primary concerns with addressing access arbitrage schemes via the Commission's direct interconnection 'second prong' is the reality that investments will undoubtedly be stranded when arbitrageurs shift their traffic to other locations.

Should the Commission alter the definition of access stimulation, such as by re-defining traffic thresholds and / or removing the revenue sharing agreement requirement, AT&T believes the Commission should ensure that the current 'rebuttable presumption' remains in effect as a safety valve, should a legitimate carrier be inadvertently ensnared in any new definition.

AT&T also discussed the 8YY Originating Access Reform NPRM, noting that AT&T's previously filed direct interconnection proposal - which allows the carrier paying for the traffic to choose the most efficient traffic route - provides greater flexibility and would foster

an increase in commercially negotiated arrangements between parties. The alignment of financial responsibility with control of routing would give carriers greater flexibility to negotiate mutually beneficial arrangements. Given the strong, competitive nature of today's wholesale interconnection marketplace, AT&T believes consumers will benefit from increased competition for these services; and, encouraging more commercially negotiated agreements could increase network efficiency if bilateral agreements lead to more regionalized traffic exchange.

AT&T also discussed the inefficient database query rate structure, noting that this area remains ripe for reform and that the Commission could bring greater marketplace discipline. AT&T continues to support the notion that no more than one database 'dip' charge should be assessed to the interexchange carrier, and looks forward to further engagement with the Commission on this issue.

Overall, AT&T reiterated prior advocacy that removing the financial incentives to maintain the archaic architecture and regulations of 20th century voice-centric services will promote marketplace efficiency and permit more productive investment in modern broadband networks.

Sincerely,

A handwritten signature in blue ink, appearing to read "Henry G. Hultquist", with a stylized flourish at the end.

Henry G. Hultquist

CC:
Nicholas Degani
Nirali Patel